

Summarized Minutes¹
Scottsdale Audit Committee
Wednesday, March 23, 2006



Kiva Conference Room, First Floor, City Hall
3939 North Drinkwater Boulevard
Scottsdale, AZ 85251

Members Present: Chairman Osterman
Committee Member Ecton
Committee Member Lane

City Staff Present: Cheryl Barcala, City Auditor
Gail Crawford, Internal Auditor
Mike Worth, Audit Associate
Stella Fusaro, Senior Auditor
Ramon Ramirez, Senior Auditor
Lisa Blyler, Assistant to Mayor and Council
Neal Shearer, Assistant City Manager
Teri Traaen, Human Resources General Manager
Joyce Lira, Human Resources Director
Jay Osborn, Senior Assistant City Attorney

Chairman Osterman called the meeting to order at 10:04 a.m.

Roll was taken with all members in attendance.

Committee Member Lane made a motion to approve the minutes of the January 27, 2006, Audit Committee Meeting. Committee Member Ecton seconded the motion. The minutes were approved unanimously.

General Business:

Item 1 – Discussion on the Classification and Compensation Plan Audit. Cheryl Barcala noted that this is the first report done in the new format request by the Audit Committee. Stella Fusaro provided an overview of the report objectives and the conditions found. Neal Shearer asked that the word "or" be changed to "and" in Management's Response to Number 1. Ms. Barcala was directed to make the change.

¹ In accordance with provisions of the Arizona Revised Statutes, these summarized minutes are not verbatim transcripts.

Mr. Shearer indicated that he would work with the City Manager to clarify the conditions found in Number 2.

Committee Member Lane made a motion to accept the report. Committee Member Ecton seconded the motion. Motion carried unanimously.

Item 2a – Ms. Barcala provided an update on the Minimum Accounting Standards Review for the Court. The deadline for completion is March 31, 2006.

Item 2b – Ms. Barcala provided an update on the Controls Over Citations Issued for Moving Violations. This was set to be completed by March 31, 2006, but may need to be carried over into April.

Item 2c – Ms. Barcala provided an update on the False Alarm License Fees, Permits, and Service Charges. Audit work is completed and the draft report has been sent to management for comment. Responses are expected next week.

Item 2d – Ms. Barcala provided an update on the next two phases of the WestWorld audit (financial and managerial). Ramon Ramirez relayed Roger Klingler's, Assistant City Manager, concerns of proceeding with the audit at this time. Discussion ensued as to when to proceed with this audit.

Committee Member Ecton made a motion to schedule another Audit Committee meeting to discuss how to proceed with the WestWorld audit and invite Roger Klingler and Craig Clifford to provide additional information. Committee Member Lane seconded the motion. Motion carried unanimously.

Item 3 – Ms. Barcala provided an update on the three proposed modifications to Chapter 2, Article 3, Division 6, *City Auditor*. Section 2-125 needs further modifications and Ms. Barcala will work with the City Attorney to make the needed modifications.

Committee Member Lane made a motion to accept the proposed changes to Section 2-126 and Section 2-129. Committee Member Ecton seconded the motion. Motion carried unanimously.

Item 4 – Ms. Barcala provided an update on the upcoming Peer Review.

Item 5 – Ms. Barcala provided an update on the year-to-date budget for the City Auditor's Office.

Public Comments – None.

Committee Comments – Committee Member Lane commented that the decision to hire the external auditor should be discussed at the Audit Committee and then, annually, the decision should come back to the Audit Committee before a decision is

made to continue the arrangement. Ms. Barcala was directed to follow up with Craig Clifford, Financial Services General Manager, and agendaize an item for the next Audit Committee meeting to discuss this matter.

With no further business to discuss, Committee Member Lane made a motion to adjourn the public meeting of the Audit Committee. Committee Member Ecton seconded the motion and the motion carried. The Audit Committee Meeting was adjourned at 11:05 a.m.

Submitted by

Reviewed by

Gail Crawford
Recording Secretary

Cheryl Barcala
City Auditor